

Message Text

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12

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 SPC-03 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 PA-04 PRS-01 USIA-15 AGR-20 DRC-01 /194 W

----- 070716

R 230820Z JAN 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9457

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: GDS

TAGS: EFIN, JA

SUBJ: TOKYO FOREX MARKET DEVELOPMENTS

SUMMARY: TOKYO FOREX MARKET REOPENED JAN 23. YEN 300
PER DOLLAR RATE MAINTAINED BY BOJ DESPITE EXTREMELY
HEAVY MARKET VOLUME.

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1. FOLLOWING TWO-DAY CLOSING OF TOKYO FOREX MARKET,

SPOT DOLLAR RATE OPENED JAN 23 AT YEN 300 PER DOLLAR, WITH TRADING VOLUME EXTREMELY HEAVY THROUGHOUT DAY. ALMOST ALL DOLLAR SALES ACCOUNTED FOR BY BOJ INTERVENTION, THUS PREVENTING ANY FURTHER WEAKENING OF THE YEN. TOTAL VOLUME IN SPOT MARKET WAS \$742.3 MIL. VOLUME IN FORWARD MARKETS WAS CONSIDERABLY LESS, REGISTERING TOTAL OF \$124.1 MIL. NO END-OF-DAY QUOTE AVAILABLE FOR SIX MONTH FORWARD: HOWEVER, THREE MONTH FORWARD (APRIL DELIVERY) CLOSED AT YEN 318.0 PER DOLLAR, REPRESENTING 24.0 PERCENT PREMIUM. SWAP MARKET VOLUME WAS LIGHT AT \$34.5 MIL.

2. JAPANESE MORNING PRESS CARRIED FOLLOWING HEADLINE: "YEN 300 PER DOLLAR TO BE MAINTAINED FOR PRESENT: TOKYO FOREIGN EXCHANGE MARKET TO BE RESUMED TODAY DUE TO CALMNESS ON EUROPEAN MARKETS AND TO AVOID CRITICISM OF COMPETITIVE DEVALUATION (STATEMENT ATTRIBUTED TO MOF AND BOJ)." EMBASSY NOTES THAT THIS IS FIRST TIME THERE IS ANY RECOGNITION IN PRESS OF JAPAN'S RESPONSIBILITIES WITHIN INTERNATIONAL MONETARY COMMUNITY OF AVOIDING COMPETITIVE DEVALUATION. SUCH STATEMENTS COMING ONLY AFTER RECENT C-20 ROME MEETING AND NECESSITY OF CLOSING TOKYO FOREX MARKET DUE TO RUPTURE OF "SNAKE" BY FRENCH ACTION. SHOESMITH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DOLLAR, FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TOKYO00979
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740120/aaaaaswh.tel
Line Count: 85
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Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
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Previous Handling Restrictions: n/a
Reference: n/a
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Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by kellew0>; APPROVED <29 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TOKYO FOREX MARKET DEVELOPMENTS SUMMARY: TOKYO FOREX MARKET REOPENED JAN 23. YEN 300
TAGS: EFIN, JA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005